



ASCENDAS INDIA TRUST

(Registration Number: 2007004)

(a business trust registered under the Business trusts Act, Chapter 31A of Singapore)

ANNOUNCEMENT

Annual General Meeting to be held on 12 April 2021 Responses to Substantial and Relevant Questions

Ascendas Property Fund Trustee Pte Ltd, the Trustee-Manager of Ascendas India Trust (“**a-iTrust**”, and the trustee-manager of a-iTrust, the “**Trustee-Manager**”) would like to thank all Unitholders who submitted their questions in advance of a-iTrust’s Annual General Meeting (“**AGM**”) to be held virtually via live audio-visual webcast and live audio-only stream at 2:30 p.m. on Monday, 12 April 2021.

We have grouped the most asked questions, as well as questions relevant to the AGM agenda and aspects of our business into a few key topics.

Key topics include:

1. Impact of COVID-19 on a-iTrust
2. Business Strategy/Investment Pipeline
3. Capital Management
4. Financials

Please refer to our responses to these substantial and relevant questions in the following pages (**Appendix 1**).

Mr Sanjeev Dasgupta, Chief Executive Officer, will deliver a presentation to Unitholders at the AGM. Please refer to the 2021 AGM Presentation and all AGM-related documents at <https://ir.a-itrust.com/agm.html>.

Following the conclusion of the AGM, the voting results of the AGM will be uploaded on SGXNet and made available on a-iTrust’s website. The minutes of the AGM will be published on a-iTrust’s website on or before 12 May 2021.

BY ORDER OF THE BOARD
ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.
(Company Registration No. 200412730D)
(as Trustee-Manager of Ascendas India Trust)

Mary Judith de Souza
Company Secretary
9 April 2021

A. Impact of COVID-19 on a-iTrust	
1.	<p>(a) Are tenants already back to offices and workplaces?</p> <p>(b) What is management's assessment of the impact of the Work From Home (WFH) trend to the occupancy and rental rate of the office/business parks?</p>
	<p>(a) While a-iTrust's business parks are operational, park population remained below 10% across all business parks as most remain cautious and continue to telecommute especially with the recent resurgence in COVID-19 cases in India since March 2021. We are monitoring the situation closely and expect a gradual return of tenants to the parks in the coming months in the second half of 2021.</p> <p>(b) We believe in the continued relevance of the office/business parks, where the office serves not just an effective workplace but also as a core hub for collaboration and networking which are critical for a successful business. In the case of India, where often the home environment may not be conducive for office work due to space, IT infrastructure and other constraints, the need for office space is even more pronounced. Based on various market sources and surveys, it may be possible that up to 20-30% of employees may be working from home at any one point in the new normal. Should this happen, occupancy may decrease in the near term as some leases lapse and/or some tenants may have space consolidations or adjustments to business strategies due to COVID-19. Rental rates may decrease to varying degrees in the near term depending on the micro-market supply and demand. As the situation remains fluid, we expect leasing activity to only pick up in the later part of 2021. With India's IT-BPM¹ sector benefiting from the acceleration of digital transformation and IT services seeing strong customer demand, we remain confident in the long-term demand for and resilience of our business parks.</p>
2.	<p>Are we granting any rental reliefs to tenants? What percentage of tenants are still receiving rental reliefs?</p>
	<p>No rental rebates were given to our business parks office tenants. However, we have provided rental reliefs solely to our retail tenants since April 2020 to support them in view of the reduced footfall. We will be giving rental relief on a case-by-case basis. Our main retail space exposure is at Park Square mall, where footfall remains low but has been increasing steadily. It is likely to improve when the International Tech Park Bangalore tenants gradually return to their offices at the Park. Our exposure to retail space is small. In FY2019, income from all retail tenants only accounted for less than 2% of a-iTrust's net property income.</p>
3.	<p>What drove the significant drop of occupancy rate in ITPC, CyberPearl and ITPH in 31 December 2020 as compared to the prior year? What is the outlook? Would occupancy recover back this year?</p>
	<p>Drop in ITPC's occupancy rate was due to planned non-renewals of leases by some tenants subsequent to their lease expiry in 2020. In CP and ITPH, several small tenants have vacated during 2020 due to impact of COVID-19 on their businesses. As most businesses continue to have a significant percentage of workforce working from home in view of the COVID-19 situation in India, leasing momentum has yet to meaningfully improve from the slowdown in 2020. However, we are working closely with tenants and brokers to fill vacant spaces across our business parks. We expect increasing vaccination rates in India to lead to a gradual easing back to office over the following months, which would lead to an increase in leasing demand and occupancy.</p>
B. Business Strategy/Investment Pipeline	
1.	<p>(a) What asset classes will a-iTrust look to acquire? Any long-term allocation target set for the various asset classes?</p> <p>(b) Any plans to divest existing business parks to free up capital to invest in other higher growth asset class and achieve a more balanced portfolio?</p> <p>(c) What is a-iTrust's strategic plan over the next five years?</p>
	<p>a-iTrust will continue to focus on its investment in business parks and logistics assets. To increase diversification of revenue streams and enhance portfolio resilience, a-iTrust looks to diversify into</p>

¹ Information Technology and Business Process Management

	<p>other attractive locations or new growth asset classes, such as industrial facilities and data centres. For example, a-iTrust recently announced its proposed forward investments in an IT park in Hebbal in Bangalore (a new micro-market) and its maiden industrial facility in Chennai (new asset class). The management is also looking into the data centre asset class and has entered into a joint venture with a subsidiary of the Sponsor to explore the possibility of investment in this asset class in India. a-iTrust continuously evaluates its portfolio and may look to divest existing business parks in the future should the exit make sense from a portfolio perspective and with long-term sustainable returns for Unitholders in mind.</p>
2.	<p>What is the data centre strategy? Will a-iTrust be acquiring a portfolio of data centres in India or building its own data centre?</p>
	<p>a-iTrust is proposing to enter into a joint venture (JV) with a subsidiary of the Sponsor to jointly invest in the data centre asset class in India. The JV would be open to both building greenfield data centres as well as acquire and operate existing data centres. The maiden investment of this joint venture is likely to be the development of a greenfield data centre. Through the joint venture, a-iTrust can leverage its own land acquisition and development skills along with the Sponsor's competencies in data centre design, development and operations.</p>
3.	<p>Why is a-iTrust looking to gain more logistics warehouses?</p>
	<p>The logistics sector in India remains attractive with strong demand for quality logistics space given the e-commerce growth accelerated by the COVID-19 pandemic, growing consumer market and a countrywide rollout of a uniform Goods & Service Tax (GST). India's increasing importance as a manufacturing hub with the "Make in India" campaign and the need for quality large warehouses upon GST implementation is expected to further drive growth in the logistics sector. Growing our logistics portfolio along with the other asset classes will diversify our revenue streams and improve our overall portfolio resilience.</p>
4.	<p>Why are a-iTrust's properties all geographically located in the lower half of India? Is there any intention to venture into cities North of Mumbai such as Delhi or Kolkata?</p>
	<p>We have been investing in Bangalore, Hyderabad, Chennai, Pune and Mumbai, as these Tier 1 cities are amongst the top IT hubs in India. Investing into different micro-markets within these cities allow us to leverage on our understanding of the cities and economies of scale.</p> <p>a-iTrust has entered into an agreement in March 2020 for the conditional acquisition of an operational 0.2 million square feet Grade-A warehouse in Khurja, NCR. This proposed acquisition will be the Trust's first foray into North India. The NCR region is also a major IT hub and we will consider interesting investment opportunities there should they arise.</p>
5.	<p>How will the recently announced proposed strategic restructuring of the Sponsor, CapitaLand, affect a-iTrust and the Trustee-Manager?</p>
	<p>CapitaLand Limited ("CapitaLand", together with its subsidiaries and associated companies, the "Group"), together with CLA Real Estate Holdings Pte. Ltd. ("CLA"), is proposing a strategic restructuring to sharpen its business focus, optimise growth and create shareholder value through a Scheme of Arrangement (the "Scheme"):</p> <ul style="list-style-type: none"> • Consolidate the Group's investment management platforms and lodging business into CapitaLand Investment Management ("CLIM"), which is to be listed by introduction on the Singapore Exchange (SGX); and • Privatised CapitaLand, and Group's real estate development business, to be fully held by CLA on completion of the Scheme. <p>We do not expect the restructuring of the Sponsor to affect the day-to-day business activities and ongoing operations of a-iTrust as the Trust will continue to be managed by the Trustee-Manager. a-iTrust will also be able to continue to pursue its strategy on investments and acquisitions consistent with its investment mandate. The Trustee-Manager will be a wholly-owned indirect subsidiary of CLIM, and will have access to the support of the Group.</p>

6.	Will a-iTrust be merging with other REITs of the Sponsor?
	There are no existing plans for a-iTrust to be merged with other REITs of the Sponsor.
C. Capital Management	
1.	Will the weakening Indian Rupee negatively affect a-iTrust's DPU payout? What is the Trustee-Manager doing to help Unitholders?
	Investing in a-iTrust entails foreign currency risks given that the assets are located in India. The Trustee-Manager has in place hedging policies to mitigate the impact of foreign currency risks by hedging income repatriated from India to Singapore on a monthly basis up to 6 months in advance.
2.	Are there plans to increase a-iTrust gearing ratio to a higher but still comfortable level e.g. 35%?
	a-iTrust's gearing ratio is expected to increase with the recent acquisition of aVance 6 at HITEC City, Hyderabad and with the additional investments in committed forward purchases via construction funding. We seek to optimize gearing balancing risks and returns.
3.	Why has the percentage of Indian Rupee (INR) debt has been fluctuating rather than stable in recent years? Wouldn't a stable percentage be preferred?
	a-iTrust's currency hedging policy is to maintain at least 50% of debt to be effectively denominated in INR. There may be fluctuations throughout the various reporting periods as the Trust typically draw down on short-term revolving credit facilities first as it provides the flexibility to execute investments quickly before being refinanced with long-term loans. The loans are only hedged when they are being refinanced into long-term loans as it is not cost-effective to hedge the short-term revolving loans.
D. Financials	
1.	In page 186 of the annual report, "The Group entered into currency swaps to exchange floating-rate SGD loans of \$391,895,000 (2019: \$406,895,000) for INR obligations at average fixed-rate of 7.31% (2019: 7.57%) per annum and also currency swaps to exchange fixed-rate medium term notes of \$118,206,075 (2019: \$118,206,075) for fixed-rate INR obligation at average fixed-rate of 8.13% (2019: 8.13%) per annum.". Why the total currency swaps notional amount \$510m (\$391m+\$118m) does not tally with the corresponding table?
	In the table, the current currency swaps and non-current currency swaps and options add up to a notional amount of S\$559m. The difference between the S\$559m and S\$510m is due to a currency swap to hedge a JPY bond to SGD.